

June 3, 2009



Ms. Marcia Sigal, Director
Program Policy Division, Office of Affordable Housing Programs
Community Planning and Development
US Department of Housing and Urban Development
451 7th Street, S.W., Room 7164
Washington, D.C. 20410

Re: Tax Credit Assistance Program (TCAP) Application

Dear Ms. Sigal:

On behalf of the Illinois Housing Development Authority (IHDA), I am pleased to submit the State of Illinois' application for the Tax Credit Assistance Program. The application requests the entire amount of the TCAP formula allocation, \$94,676,979 as described by the American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

I have enclosed three copies of the Submission Requirements as described in Notice CPD-09-03 in tabbed outline order:

- 1) Statement of intent to accept TCAP funds
- 2) Description of Competitive Selection Process
- 3) Commitment and Expenditure Deadline Procedures
- 4) Recovery Act Accountability and Transparency Requirements
- 5) Application for Federal Assistance – SF 424
- 6) Registration with Central Contractor Registration

It is IHDA's intent to sub award a portion of the TCAP funds to the City of Chicago to support eligible tax credit projects located in Chicago. Only projects that were awarded credits by Chicago would be eligible under this sub award. The City of Chicago Description of Competitive Selection Criteria for the TCAP funds is included in this application package under tab 7 (City Submission Packet). IHDA did not participate in the preparation of the City Submission Packet. IHDA makes no representation regarding the accuracy or completeness of the City Submission Packet by including it in this application.

IHDA believes the application as submitted is complete and that IHDA has taken all the appropriate steps in connection with Notice CPD-09-03 to be eligible for the TCAP funds. If there are any deficiencies, please contact me.

Sincerely,

A handwritten signature in cursive script that reads "DeShana L. Forney".
DeShana L. Forney
Executive Director

Enclosures

Tax Credit Assistance Program Implementation

Statement of Intent to Accept TCAP Funds

Introduction

The Illinois Housing Development Authority (IHDA) will follow the American Recovery and Reinvestment Act's (ARRA) overall purpose and intent of creating and saving jobs and developing affordable rental housing by using the state's appropriation to start construction on "shovel-ready" developments stalled by the current economic environment.

All terms used in the Tax Credit Assistance Program (TCAP) will have the same meaning as under the IRS Code Section 42, appropriate federal regulations, the 2008 -2009 Qualified Allocation Plan (QAP), The US Department of Housing and Urban Development (HUD) Notice CPD-09-03

1. IHDA will administer distribution of the State of Illinois' \$94,676,979 of TCAP funding ("Illinois TCAP Funds") available pursuant to ARRA. IHDA intends to sub award approximately \$21,135,085 of the Illinois TCAP Funds to the City of Chicago; the balance will be sub awarded by IHDA to eligible projects based on the selection criteria set forth herein.
2. IHDA currently administers the following federal grant funds:
HOME Investment Partnership funds: \$24,170,610 (FY 2009)
Foreclosure Mitigation funds: \$3,080,000 (FY 2009)
3. On December 8, 2008 pursuant to IHDA's Low Income Housing Tax Credit Qualified Allocation Plan for the calendar years 2008 -2009 (the "QAP") the first round of applications for the State's allocation of 2009 Low Income Housing Tax Credits (LIHTCs) was received. Applications have been reviewed with both successful and unsuccessful applicants advised of their status. During this process, \$9,740,444 in LIHTCs was recommended. On April 6, 2009, the second and final round of applications for the balance of 2009 LIHTCs was accepted. Currently, the applications are being reviewed with recommendations to be made in late June. During the months of June, July and August, it is anticipated that the Members of IHDA's Board of Directors will award all or a portion of the 2009 LIHTCs to the successful applicants. At the time of approval by the IHDA Board, the awards will be posted to IHDA website: www.ihda.org.
4. The designated agency contact for the TCAP funds is:
Linda Thurmond, Managing Director of Multifamily Programs
Illinois Housing Development Authority
401 North Michigan Avenue, Suite 700
Chicago, Illinois 60611
Phone: 312-836-5292
Fax: 312-832-2193
Email: lthurmond@ihda.org

Description of Competitive Selection Criteria

THRESHOLD ELIGIBILITY

Eligible developments must have received or will receive an award of LIHTCs during the period of October 1, 2006 and September 30, 2009 and require additional financial resources to be completed and placed in service by December 31, 2011. For the purposes of this program, an "award" of 9% LIHTCs is defined as approval of a project specific allocation of LIHTCs by the Members of the IHDA Board of Directors at a regularly scheduled meeting and posted on the IHDA website at www.ihda.org. For recipients of credits related to tax-exempt bond projects (4%) LIHTC, an "award" of tax credits is defined as the issuance of a 42M determination letter from IHDA during the period of January 1, 2007 and September 30, 2009.

IHDA will use the following competitive selection process in awarding TCAP funds to projects.

Eligible Projects:

TCAP funds will be used to assist projects that have received or will receive LIHTC allocations under Section 42(h) of the Internal Revenue Code of 1986, as amended, (IRC) (26 U.S.C. 42) ("Section 42"), between October 1, 2006 and September 30, 2009.

Evidence of Good Faith Effort:

To be eligible for consideration for gap financing under this program, the applicant must demonstrate evidence of a good faith effort to secure an investment in the project's LIHTC award. This documentation must include but is not limited to:

- Current documentation from LIHTC syndicators/equity providers including current offers and previous denials
- A certified narrative description of the efforts to secure an investment in the project's LIHTC,
- A waiver allowing IHDA to contact tax-credit syndicators or investors to verify their interest in a project's LIHTC

Priority of Awards to Eligible Projects:

TCAP awards from IHDA will be made through a competitive process in order of priority on a round by round, first-come, first-served basis, according to eligibility, until expended in full. Projects with the highest competitive scores demonstrating readiness to proceed will be awarded TCAP funds.

Mandatory/Scoring Requirements

In addition to being mandatory requirements for all projects seeking TCAP funding, the following items will be factored into the competitive scoring of the application to IHDA:

1. Required evidence to establish "good faith effort" as set forth above
2. Evidence of site control
3. Evidence of financing commitments for all sources
4. Evidence of project based assistance
5. Evidence of zoning
6. Market study, or current letter from market analyst outlining any market changes
7. Evidence of community support
8. 3rd party construction cost certification
9. Application fee of \$2,500 (may not come from TCAP proceeds)
10. Evidence of project financing gap, including a detailed description of the cause of the gap
11. The amount of gap financing funds requested from IHDA
12. Current development, construction, and operating budgets with explanation for any changes
13. Construction plans and specifications
14. A source by use schedule of all project costs
15. A chart detailing unit and tenant mix
16. A chart detailing the ownership structure
17. A chart detailing the development team
18. Evidence of the project being compliant with the Cross-Cutting Federal Requirements
19. The IHDA environmental checklist
20. Projects involving substantial rehabilitation will be required to submit a current physical needs assessment
21. Supportive Living Facility projects must submit documentation from the Illinois Department of Healthcare and Family Services detailing the status of approval for participation in the Supportive Living Program as well as the operational deadline and any extensions that have been granted.

Scoring Categories and Criteria

The following information will be used to competitively score applications:

Mandatory Requirements:

- Projects meeting all mandatory requirements will receive **20 points**.
- Projects that do not meet all mandatory requirements will receive **0 points**.

Readiness to Proceed:

- Projects closing on or before **September 1, 2009** will receive **5 points**.
- Projects closing on or before **November 1, 2009** will receive **3 points**.
- Projects closing on or before **February 1, 2010** will receive **1 point**.

Placed in Service Date:

- Projects to be placed in service by **June 1, 2010** will receive **5 points**.
- Projects to be placed in service by **September 1, 2010** will receive **3 points**.
- Projects to be placed in service by **December 1, 2010** will receive **1 point**.

Additional Scoring Criteria:

- Projects will receive additional points if the following are provided with the application:
 - Projects evidencing a construction completion guarantor, with three years financial statements, that proves satisfactory to IHDA will receive **1 point**.
 - Projects evidencing a valid building permit will receive **1 point**.
 - Projects evidencing a current, valid and binding construction contract will receive **1 point**.

Minimum Point Threshold:

- A project must meet a minimum threshold of **20 points** in order to be eligible for consideration under the TCAP program.

Timeframe

IHDA will accept applications for and make TCAP awards utilizing the following round by round schedule:

Round One

Application Acceptance Period: June 15 - July 1, 2009

Eligible Projects:

- Projects with an allocation of 2007 or 2008 LIHTC under Section 42 from IHDA that are seeking gap financing
- Projects with a 2007 or 2008 42M determination letter from IHDA seeking gap financing

Round Two

Application deadline: September 21 - October 5, 2009

Eligible Projects:

- Projects with an allocation of 2008 or 2009 LIHTC under Section 42 from IHDA that are seeking gap financing
- Projects with a 2008 42M determination letter from IHDA seeking gap financing

Round Three

Application deadline: To be determined

Eligible Projects:

- To be determined

Note: IHDA reserves the right, in its sole discretion, notwithstanding anything contained herein or in any other communication from IHDA, to create additional application rounds in order to effectively administer the TCAP funds.

Commitment and Expenditure Deadlines

POST-AWARD REQUIREMENTS AND MONITORING

TCAP Funding Commitments (Commitment) will require construction draw schedules. Based on this proposed schedule, IHDA and the owner will agree on a proposed expenditure schedule which will become part of the loan or other written agreement. If an owner fails to expend TCAP funds in compliance with the agreed expenditure schedule, IHDA will evaluate whether the delay will affect the development's ability and IHDA's responsibility to meet the program's expenditure requirements. Depending on the circumstances, IHDA may allow the Owner an opportunity to remedy the situation.

If a construction delay and revised draw schedule will affect IHDA's ability to meet ARRA expenditure requirements, IHDA will take all necessary steps to redistribute TCAP funds to a more deserving project, including the following:

- de-obligating the remaining TCAP funds associated with the project,
- initiating "recapture" activities to recoup amounts already expended, and
- redistributing the de-obligated and/or recaptured TCAP funds to other eligible projects based on the selection criteria in Section B

Remedies for noncompliance may include IHDA having the ability to do some or all of the following:

- declare participants not in good standing,
- change the structure of the ownership entity, including adding or removing members/partners,
- replace the management company,
- initiate foreclosure proceedings, and other remedies as determined by IHDA

Recovery Act Accountability and Transparency Requirements

In anticipation of funding through ARRA, IHDA established a website page with information regarding the TCAP funds and process. The website is www.ihda.org with a link termed "ARRA updates". A summary of the potential ARRA funds and the TCAP Selection Criteria and Process are currently posted on the website. IHDA will continue to update the site and post a list of projects receiving TCAP funds in addition to indicating the project's progress.

The Competitive Selection Criteria was released to the public on May 22, 2009 and comments were accepted until May 28, 2009. Pursuant to notice, a public hearing and comment session was held by IHDA at 10:00 AM on May 28, 2009 at the offices of the Authority located at 401 North Michigan Avenue, Suite 700, Chicago, Illinois 60611. IHDA received several comments and made adjustments based on the public response.

REPORTING AND COMPLIANCE

1. Owners will report to IHDA on a bi-monthly basis the following information:
 - amount of TCAP funding received to date,
 - project's completion status,
 - an estimate of the number of jobs created and the number of jobs retained, and
 - any other information necessary for the Agency's federal reporting requirements,
2. Owners will follow IHDA's current processes and procedures applicable to LIHTC projects with an investor and any additional compliance requirements made necessary by TCAP funding in order to allow IHDA to meet its reporting requirements under the TCAP program.
3. CROSS-CUTTING FEDERAL REQUIREMENTS

Owners and projects must comply with all of the following.

1. Fair Housing Act (42 U.S.C. 3601-19) and implementing regulations at 24 CFR Part 100 and the regulations at 24 CFR Part 107 (Equal Opportunity in Housing).
2. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)) (Nondiscrimination in Federally Assisted Programs) and implementing regulations at 24 CFR Part 1.
3. The Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146 "Nondiscrimination on the Basis of Age in HUD Programs or Activities Receiving Federal Financial Assistance."
4. Affirmatively Furthering Fair Housing

Owners must establish and follow an affirmative fair housing marketing plan when marketing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. The affirmative marketing requirements and procedures adopted must include:

- (a) Methods for informing the public, owners and potential tenants about Federal fair housing laws.
- (b) Requirements and practices each owner must adhere to in order to carry out affirmative marketing procedures and requirements,

(c) Procedures to be used by owners to inform and solicit applications from persons in the housing market areas that are not likely to apply for the housing without special outreach. Special outreach, as appropriate, includes but is not limited to, the translation of marketing material for persons who are limited English proficient; the placement of translated marketing material in minority owned media; and the provision of meaningful access concerning the residential rental project (e.g. providing translated information about application procedures, tenancy and other project amenities).

(d) Records that will be kept describing actions taken by owners to affirmatively market units and records to assess the results of these actions.

5. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) ("Section 504") and implementing regulations at 24 CFR Part 8 "Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development."

Section 504 applies to all TCAP projects. For new construction projects and projects undergoing substantial rehabilitation, five percent (5%) of the units must be accessible to persons with mobility impairments and two percent (2%) of the units must be accessible to persons with hearing or vision impairments (See 24 CFR 8.22.) Substantial rehabilitation for a multifamily rental project is defined in Section 24 CFR 8.23 as a project with 15 or more units for which the alterations would equal more than seventy five percent (75%) of the replacement cost. Modifications to projects to comply with Section 504 requirements are eligible costs. However, compliance with Section 504 requirements may be infeasible or impracticable for some projects, depending on where they are in the development process. A new construction or substantial rehabilitation project is ineligible if it cannot be modified to meet the Section 504 requirements. For projects in which the rehabilitation would not be considered substantial, the Section 504 provisions are applicable only to the maximum extent feasible, i.e., not required if it would impose undue financial and administrative burden. (See 24 CFR 8.23.)

6. National Environmental Policy Act and Related Laws (Environmental review responsibilities) and implementing regulations at 24 CFR Part 58.

Once an owner applies for TCAP funds, committing TCAP or any other funds to or undertaking any "choice-limiting" activity prior to successful completion of the environmental clearance review (i.e., HUD approval of the Request for Release of Funds), is prohibited. See 24 CFR Part 58 for general information about environmental review requirements at http://www.access.gpo.gov/nara/cfr/waisidx_04/24cfr58_04.html or <http://www.hud.gov/offices/cpd/environment/index.cfm>.

7. The Lead-Based Paint Poisoning Prevention Act and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations at 24 CFR Part 35 are applicable to housing that receives Federal assistance.
8. Davis-Bacon Prevailing Wages

Contractors and subcontractors required to pay prevailing wages to laborers and mechanics in compliance with the Davis-Bacon Act. In the case of projects already under construction, it may be possible to obtain a determination, under 29 CFR 1.6(g), that Davis-Bacon requirements apply prospectively to the construction project, as of the date of the TCAP award.

9. "Anti-Lobbying" Restrictions (Restrictions on lobbying in 31 USC 1352 and implementing regulations at 24 CFR Part 87 "New Restrictions on Lobbying".)

This statute prohibits the use of funds appropriated by any act by the recipient of a Federal contract, grant, loan, or cooperative agreement to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with covered Federal action.

10. The Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq., as implemented at 24 CFR Part 21 "Government-Wide Requirements for Drug-Free Workplace (Grants)".)

This statute prohibits the receipt of a grant from any Federal agency unless the recipient agrees to provide and certify to a drug-free workplace.

11. OMB Regulations and Circulars (2 CFR Part 2424 "Non-procurement Debarment and Suspension.")

Application for Federal Assistance SF-424

Version 02

***1. Type of Submission:**

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

***2. Type of Application**

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s)

*Other (Specify) _____

3. Date Received:

4. Applicant Identifier:

N/A

5a. Federal Entity Identifier:

N/A

*5b. Federal Award Identifier:

N/A

State Use Only:

6. Date Received by State:

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: State of Illinois

*b. Employer/Taxpayer Identification Number (EIN/TIN):

36-2708817

*c. Organizational DUNS:

010292548

d. Address:

*Street 1: 401 N. Michigan Avenue

Street 2: Suite 700

*City: Chicago

County: Cook

*State: Illinois

Province: _____

*Country: United States

*Zip / Postal Code 60611

e. Organizational Unit:

Department Name:

Illinois Housing Development Authority

Division Name:

Multifamily Financing

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Ms. *First Name: Linda

Middle Name: _____

*Last Name: Thurmond

Suffix: _____

Title: Managing Director of Multifamily Programs

Organizational Affiliation:

Illinois Housing Development Authority

*Telephone Number: 312-836-5292

Fax Number: 312-832-2176

*Email: lthurmond@ihda.org

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

A.State Government

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:**

U.S. Department of Housing and Urban Development

11. Catalog of Federal Domestic Assistance Number:

14.258

CFDA Title:

Tax Credit Assistance Program

***12 Funding Opportunity Number:**

CPD Notice 09-03

*Title:

Implementation of the Tax Credit Assistance Program (TCAP)

13. Competition Identification Number:

N/A

Title:

N/A

14. Areas Affected by Project (Cities, Counties, States, etc.):

Illinois (Statewide)

***15. Descriptive Title of Applicant's Project:**

State of Illinois Tax Credit Assistance Program

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: Statewide

*b. Program/Project: Tax Credit Assistance Program

17. Proposed Project:

*a. Start Date: June 3, 2009

*b. End Date: February 16, 2012

18. Estimated Funding (\$):

*a. Federal 94,676,979
*b. Applicant _____
*c. State _____
*d. Local _____
*e. Other _____
*f. Program Income _____
*g. TOTAL _____

*19. Is Application Subject to Review By State Under Executive Order 12372 Process?

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____
☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
☒ c. Program is not covered by E. O. 12372

*20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)

☐ Yes ☒ No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: Ms. *First Name: DeShana
Middle Name: L.
*Last Name: Forney
Suffix: _____

*Title: Executive Director, Illinois Housing Development Authority

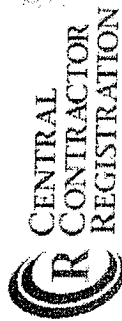
*Telephone Number: 312-836-5314

Fax Number: 312-832-2170

* Email: DForney@ihda.org

*Signature of Authorized Representative:

*Date Signed: June 2, 2009



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0102925485GSA3		ACTIVE	05/22/2010	ILLINOIS HOUSING DEVELOPMENT AUTHORITY (INC)	IL	Active in CCR; Registration valid until 05/22/2010...	<u>Update/Renew</u>	<u>Users</u>

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To manually add a registration to your account, enter its DUNS number below. Once added, TPIN authentication will be disabled for that registration.

DUNS: 

Note to all Users: This is a Federal Government computer system. Use of this system constitutes consent to monitoring at all times.





City of Chicago
Richard M. Daley, Mayor

Department of Community
Development

Chris Raguso
Acting Commissioner

City Hall, Room 1000
121 North LaSalle Street
Chicago, Illinois 60602
(312) 744-4190
(312) 744-2271 (FAX)
(312) 744-2578 (TTY)
<http://www.cityofchicago.org>

June 2, 2009

Ms. DeShana Forney
Executive Director
Illinois Housing Development Authority (IHDA)
401 N. Michigan Avenue, Suite 900
Chicago, IL 60611

Re: Tax Credit Assistance Program (TCAP) and Section 1602 Funds –
Submission Packet

Dear Ms. Forney:

The Department of Community Development (DCD) is pleased to submit to your agency the necessary documents reflecting our response to HUD Notice CPD-09-003. Please find the following enclosed:

1. TCAP and Section 1602 Submission Packet
2. HUD Form SF-424
3. Disclosure of Lobbying Activities form

It is our understanding that your agency will prepare the application to the U.S Department of Housing and Urban Development (HUD) for TCAP funds and that you will forward these documents to the HUD prior to the June 3, 2009 submission deadline.

I would like to take this opportunity to thank you and your staff for your cooperation through this application process.

Sincerely,

Christine Raguso
Acting Commissioner

Enclosures

cc: Linda Thurmond, (IHDA)
William Eager, (DCD)
Tracy Sanchez (DCD)



**CITY OF CHICAGO
DEPARTMENT OF COMMUNITY DEVELOPMENT
TCAP and SECTION 1602 PROGRAM FUNDS SUBMISSION PACKET**

Overview

As described below, the City of Chicago's Department of Community Development ("DCD"), as a sub-recipient, will award Tax Credit Assistance Program ("TCAP") and Section 1602 Program funds (Section 1602) authorized in the American Recovery and Reinvestment Act of 2009 (RA) to projects that demonstrate a gap in the project financing, due primarily to reduced pricing and thus lower equity yields for Low Income Housing Tax Credits ("LIHTCs") by private investors; stricter underwriting requirements by investors and bridge lenders; demonstrated lack of interest from investors altogether; diminishing grant amounts; and other current market conditions. It is our goal to reinvigorate worthy projects that, but for this funding, would not be realized in the near future. This additional financing will create jobs and further the City's neighborhood development goals.

Eligibility and Grants

DCD plans to utilize all of the TCAP funds available to DCD and use Section 1602 funds as needed. DCD will select projects for funding that have, or will have, received an award of LIHTCs from DCD or the Illinois Housing Development Authority ("IHDA") during the period of October 1, 2006 to September 30, 2009. DCD will select projects based on the process and selection criteria outlined below. DCD will determine how to award the resources to eligible projects based on the competitive selection process and underwriting of such projects. Funds provided by DCD may consist of an award of TCAP or Section 1602 funds, or a combination of both.

A. Statement of intent to accept TCAP funds

1. Accept entire amount of TCAP formula:
The City of Chicago's Department of Community Development ("DCD") will accept the full amount of TCAP funds it is eligible to receive from IHDA.
2. List of Federal Grant funds DCD currently administers:
HOME, CDBG, Neighborhood Stabilization Program, and Workforce Investment Act funds.
3. Status of 2009 LIHTC allocation process:
DCD is currently processing applications that were submitted during competitive funding rounds pursuant to our 2006 Qualified Allocation Plan in 2007 and 2008. We are or will process applications for tax exempt bond-financed projects and 4% LIHTCs from 2007, 2008, and 2009. All of these projects are eligible to receive 2009 LIHTCs upon completion of our underwriting process. Currently, we are

processing Reservation Agreements and Carryover Allocation Agreements for two projects that will utilize approximately 20% of our 2009 LIHTCs, leaving \$5,265,685 available to allocate this year.

4. Name and contact information for the agency's TCAP representative:
Tracy Sanchez, City of Chicago, Department of Community Development, 33 N. LaSalle, 11th floor, Chicago, IL 60602. E-mail address: tsanchez@cityofchicago.org

B. Description of Competitive Selection Criteria

1. Recovery Act (RA) Requirements

a. DCD shall give priority to projects that are expected to be completed within three years of the date of enactment of the RA (by February 16, 2012). DCD shall communicate to the project owners that time is of the essence. In order to be selected, a project's owner must demonstrate that the project will be completed and the TCAP/Section 1602 funds expended in accordance with the timeline established by DCD in order for DCD to meet the following deadlines established under the RA:

February 16, 2010	75% of TCAP funds committed
February 16, 2011	75% of TCAP funds expended
February 16, 2012	100% of TCAP funds expended

b. Projects must have a financial gap requiring TCAP and/or Section 1602 funds. Gap funding shall not exceed the amount necessary to ensure the financial feasibility of the project and its viability as a project throughout the credit period.

c. Projects must have been awarded 9% LIHTCs via one of DCD's or IHDA's previous funding rounds of either 2007, 2008, 2009, or be a tax exempt bond-financed project selected for funding prior to September 30, 2009.

d. DCD may fund tax exempt bond-financed projects for which DCD or IHDA has issued a Section 42(m)(1)(D) letter pursuant to the Code between October 1, 2006 and September 30, 2009.

e. Developers must demonstrate a good faith effort to obtain investment commitments for LIHTCs in lieu of a subaward.

f. Developers must compete for the funds under the City's or IHDA's existing qualified allocation plan (the "QAP") and projects will be subject to the same income, rent and use limitations as an allocation of LIHTCs under Section 42(m) of the Code.

g. Gap funding must be applied to the construction or acquisition and rehabilitation of qualified low-income buildings in accordance with Section 1602 (c) of the Act and demonstrate the capacity to meet all applicable federal requirements.

2. QAP Requirements

All RA funded projects will conform to the City's or IHDA's QAP.

3. DCD's Weighted Selection Criteria

Projects that are most ready to proceed will be considered more favorably as DCD determines how to award resources to eligible projects.

1. Economic Feasibility

- a. Demonstrated financial feasibility of the project and inability to move forward without RA funds.

2. Readiness to Proceed

- a. The terms and conditions of all other financing commitment(s) should be clearly identified, and required application/commitment fees should have been paid. The financing commitment(s) should be subject only to those conditions which are under control of the developer to meet.
- b. Developers must reasonably demonstrate the ability to commence development, including a reasonable likelihood to obtain necessary funding, site control and governmental approvals within the RA deadlines.

4. Definition of Award of LIHTCs

An award of LIHTCs shall mean an award letter from DCD or IHDA in the case of any project awarded 9% LIHTCs and selected through a DCD or IHDA competitive funding round between October 1, 2006 and September 30, 2009. For tax exempt bond-financed projects, an award of LIHTCs shall mean a Section 42(m)(1)(D) letter pursuant to the Code, issued by DCD or IHDA between October 1, 2006 and September 30, 2009.

C. Commitment and Expenditure Deadlines

1. Description of the City of Chicago's procedures to ensure commitment and expenditure of TCAP funds by the deadlines established in the Recovery Act:

- a. Select projects for funding that can meet the RA deadlines.
- b. Expend TCAP funds prior to other federal or local soft funds.
- c. Post-closing, the City will require copies of monthly draws to ensure progress is being made to expend TCAP funds within the timeframe required.

2. Description of how the City of Chicago will redistribute funds to more deserving projects from projects which are not in compliance with deadlines established in the written agreement:

a. When a project has been allocated TCAP or Exchange funds and it cannot meet the RA deadline, the City will enforce the regulatory agreement terms which shall allow DCD to recapture the TCAP funds for redistribution to projects that can meet the expenditure deadlines.

b. Redistribution will be based on the selection criteria listed above with emphasis on the weighted criteria of readiness to proceed.

D. Recovery Act Accountability and Transparency Requirements

Information about the City's intent to meet accountability and transparency requirements:

1.
 - a. DCD will post this document stating its project selection process and criteria on the City's website at www.cityofchicago.org/recovery, available to the public. We will accept comments from the public for a period of not less than 5 days. After taking public comments into consideration, the City will repost the final project selection process and criteria on the City's website.
 - b. DCD will post on the City's website all projects selected for funding and the amount of each award of TCAP or Exchange funds for each project.
 - c. DCD will provide the quarterly report information required by HUD to IHDA and post the DCD report on our website.
 - d. HUD and the Office of the Inspector General staff will be given access, upon reasonable notice, to all information related to the selection, award and use of TCAP funds.
2. The website address set up for the purposes above:
www.cityofchicago.org/recovery
3. Description of how the City met the five-day comment period:
 - a. DCD published a Public Notice in the Chicago Sun-Times, a general circulation daily newspaper, on May 22, 2009.
 - b. DCD published the same notice on the City website at:
www.cityofchicago.org/recovery.
 - c. DCD solicited comments via the Sun-Times and website, none were received.
4. Description of Plans to ensure remaining in compliance with the accountability and transparency requirements for the duration of the TCAP grant:

- a. The City will execute and record a TCAP Written Agreement with each project owner to set forth all TCAP program and cross cutting federal grant requirements applicable to the funding.
- b. DCD's Compliance Monitoring Section will enforce the requirements set forth in the TCAP Written Agreement for the duration of the TCAP grant term.
- c. All TCAP Written Agreements will be posted on the City's website.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> B a. contract b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance		2. Status of Federal Action: <input type="checkbox"/> A a. bid/offer/application b. initial award c. post-award		3. Report Type: <input type="checkbox"/> A a. initial filing b. material change For Material Change Only: year _____ quarter _____ date of last report _____	
4. Name and Address of Reporting Entity: <input type="checkbox"/> Prime <input checked="" type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: All in Chicago			5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Illinois Housing Development Authority 401 N. Michigan Avenue, Chicago, IL 60611 Congressional District, if known: All in Chicago		
6. Federal Department/Agency: U. S. Department of Housing and Urban Development			7. Federal Program Name/Description: CFDA Number, if applicable: 14.258		
8. Federal Action Number, if known:			9. Award Amount, if known: \$		
10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): Not Applicable			b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): Not Applicable		
11. Information requested through this form is authorized by title 31, U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature: <u>Christine Raguso</u> Print Name: Christine Raguso Title: Acting Commissioner Telephone No.: 312-744-9476 Date: 5/29/09		
			Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)		

Exhibit

1. Disclosure of Lobbying Activities

IHDA's DUNS number: 010292548